



## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

In the Matter of:

Ali Caby, a/k/a “Alex” Caby  
Blvd. James Boucher 91,  
Apt 13, Floor 4,  
Lozenets, Sofia, Bulgaria 1407, et al,

[Case No. 18-BIS-0002]

Respondents

### **Order Relating to Ali Caby, a/k/a “Alex” Caby**

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Ali Caby, a/k/a “Alex” Caby, of Sofia, Bulgaria, that it has initiated an administrative proceeding against him pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> through the issuance of a Charging Letter alleging that Ali Caby, Arash Caby, Marjan Caby, AW-Tronics LLC, (“AW-

---

<sup>1</sup> The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which was extended by successive Presidential Notices, continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA. The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2018). The charged violation occurred in 2013-2014. The Regulations governing the violation at issue are found in the 2013-2014 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2013-2014)). The 2019 Regulations set forth the procedures that apply to this matter.

Tronics”) and Arrowtronic, LLC (“Arrowtronic”) (collectively, “Respondents”) violated the Regulations as follows:

**Charge 1      15 C.F.R. § 764.2(d) – Conspiracy**

Beginning as early as in or about September 2013, and continuing through in or about March 2014, Respondents conspired and acted in concert with others, known and unknown, to bring about one or more acts that constitute a violation of the Regulations. The purpose and object of the conspiracy was to unlawfully export goods from the United States through transshipment points to Syria, including to Syrian Arab Airlines (“Syrian Air”), the flag carrier airline of Syria and a Specially Designated Global Terrorist (“SDGT”), and in doing so evade the prohibitions and licensing requirements of the Regulations and avoid detection by U.S. law enforcement.

Pursuant to Section 746.9 of the Regulations, a license is required for the export or reexport to Syria of all items subject to the Regulations, except food and medicine classified as EAR99. Furthermore, pursuant to Section 744.12 of the Regulations, a license is required to export or reexport items subject to the Regulations to SDGTs. Syrian Air was designated as an SDGT on May 16, 2013 (see 78 FR 32304, May 29, 2013), under authority granted to the Department of the Treasury by Executive Order 13,224, and was at all times pertinent hereto (and remains) listed as an SDGT.

At all pertinent times, AW-Tronics and Arrowtronic were active limited liability companies incorporated in the State of Florida. Documentary evidence and email correspondence shows that AW-Tronics personnel represented to various transaction parties that AW-Tronics and Arrowtronic (collectively, “AW-Tronics/Arrowtronic”) were the same company. Arash Caby was listed on Florida corporate records as a Managing Member of AW-Tronics at the time of the violations. From January 2014 until its most recent annual report in January 2017, Ali Caby was listed on Florida corporate records as the registered agent of AW-Tronics. AW-Tronics/ Arrowtronic has maintained offices in Miami, Florida and Sofia, Bulgaria, as well as other locations.

As part of the conspiracy, the co-conspirators used electronic mail (email) and other forms of communication to communicate with each other between the United States, Bulgaria, United Arab Emirates (UAE), and Syria. Under their scheme, co-conspirators would purchase from U.S. suppliers or vendors items subject to the Regulations for export to Syrian Air in Syria, including aircraft parts and equipment, and would provide materially false or misleading documents and information to conceal the illegal exports. In furtherance of the conspiracy, they also would arrange for payment for the illegal exports to be made using third-party companies to transfer payments between the co-conspirators. Overall, between in or about September 2013 and in or about March 2014, Respondents engaged in multiple transactions with Syrian Air involving the export of aircraft parts and equipment subject to the Regulations from the Miami office of AW-Tronics/Arrowtronic to Syrian Air’s transshipment point in Dubai, United Arab Emirates.

These items were actually intended for, and some or all were ultimately delivered to, Syrian Air in Syria.

During the conspiracy, Ali Caby managed the Bulgaria office of AW-Tronics/Arrowtronic, while Arash Caby managed its Miami office, and Marjan Caby was its internal auditor. In furtherance of the conspiracy, each of these respondents exchanged numerous emails with other AW-Tronics/Arrowtronic employees authorizing or otherwise discussing the above-described exports to Syrian Air. These email communications included, for example, instructions that were designed to prevent U.S. law enforcement from detecting the unlawful exports to Syria and to allow them to continue by changing the routing of exports from AW-Tronics/Arrowtronic's Miami, Florida office. In March 2014, United States Customs and Border Protection seized a shipment of micro switches that, according to Electronic Export Information (EEI) filed in the Automated Export System, was destined for Syrian Air in the UAE, when, in fact, the ultimate destination was Syria. On March 5, 2014, Marjan Caby sent an email to AW-Tronics/Arrowtronic logistics employees, copying Alex Caby, that explained, "We will . . . have packages stopped by the US Customs and Border Control [and] have a case file like this for the same client[,]" and provided instructions stating, "NOTHING WILL BE SHIPPED TO CLIENTS IN THE MIDDLE EAST FROM THE USA OFFICE. WE HAVE TO SEND TO BG [Bulgaria] THEN TO CLIENT." (Emphasis in original). "SYRIA" was specifically listed as one country for which Respondents would use Bulgaria as a transshipment point. (Same).

In so doing, Ali Caby, a/k/a Alex Caby, Arash Caby, a/k/a "Axel" Caby, Marjan Caby, AW-Tronics, LLC, and Arrowtronic, LLC violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

WHEREAS, BIS and Ali Caby have entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein;

WHEREAS, I have taken into consideration the plea agreement entered into by Ali Caby with the U.S. Attorney's Office for the Southern District of Florida, and the sentence imposed against him following or upon the entry of his guilty plea and conviction ("the plea agreement and sentence"); and

WHEREAS, I have approved of the terms of the Settlement Agreement;  
IT IS THEREFORE ORDERED:

FIRST, for the period of six (6) years from the date of this Order Ali Caby, a/k/a “Alex” Caby, with a last known address of Blvd. James Boucher 91, Apt 13, Floor 4, Lozenets, Sofia, Bulgaria 1407, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees (hereinafter collectively referred to as the “Denied Person”), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported to or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

SECOND, no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States, or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, any licenses issued under the Regulations in which Ali Caby has an interest as of the date of this Order shall be revoked by BIS.

FOURTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related

to the Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

FIFTH, the six-year denial period set forth above shall be active for a period of four years from the date of this Order. As authorized by Section 766.18(c) of the Regulations, the remaining two years of the denial period shall be suspended during a probationary period of two years under this Order, and shall thereafter be waived, provided that Ali Caby has committed no other violation of the Export Control Reform Act of 2018 (“ECRA”),<sup>2</sup> or the Regulations or any order, license or authorization issued under ECRA or the Regulations. If Ali Caby commits another violation of ECRA or the Regulations or any order, license or authorization issued under ECRA or the Regulations during the six-year denial period under this Order, the two-year suspended portion of this Order may be modified or revoked by BIS. If the suspension is modified or revoked, BIS may extend the active denial period until up to six years from the date of this Order when the activation occurs during the first four years from the date of this Order. BIS may extend the active denial period until up to two years from the date of the activation when the activation occurs more than four years from the date of this Order.

SIXTH, Ali Caby shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or this Order.

SEVENTH, the Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

---

<sup>2</sup> See note 1, *supra*

EIGHTH, this Order shall be served on Ali Caby and shall be published in the *Federal Register*.

This Order, which constitutes the final agency action in this matter related to Ali Caby, is effective immediately.

**Douglas R. Hassebrock,**

*Director, Office of Export Enforcement,*

*performing the non-exclusive functions and duties of the Assistant Secretary of Commerce for Export Enforcement.*

[FR Doc. 2019-24742 Filed: 11/13/2019 8:45 am; Publication Date: 11/14/2019]